

ORDER 2015-101
AN ORDER OF THE INDIANA GAMING COMMISSION
IN RE SETTLEMENT AGREEMENT
CENTAUR ACQUISITION, LLC
15-IG-02

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

APPROVES

the proposed terms of the Settlement Agreement.

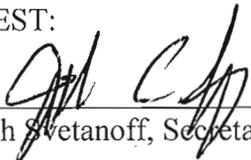
IT IS SO ORDERED THIS 18th DAY OF JUNE, 2015.

THE INDIANA GAMING COMMISSION:



Cris Johnston, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
CENTAUR ACQUISITION, LLC) **15-IG-02**
)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Centaur Acquisition, LLC (“Indiana Grand”), (collectively, the “Parties”) desire to settle this matter prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree that the following facts are true:

FINDINGS OF FACT

COUNT I

1. 68 IAC 12-1-5(f)(6) states electronic gaming device surveillance must be capable of providing coverage of progressive games, including dedicated coverage of the following:
 - (A) Any electronic gaming device or group of electronic gaming devices with a possible jackpot payout in excess of fifty thousand dollars (\$50,000).
 - (B) The progressive display showing the incrementation of the progressive jackpot for an electronic gaming device or a bank of electronic gaming devices.
2. 68 IAC 2-6-37 states (a) during the normal operating mode of the progressive controller, the controller must do the following:
 1. Continuously monitor each electronic gaming device attached to the controller to detect inserted tokens or credits wagered.
 2. Multiply the accepted tokens by the programmed rate of progression and denomination in order to determine the correct amounts to apply to the progressive jackpot.

(b) The progressive display must be constantly updated as play on the link is continued. It will be acceptable to have a slight delay in the update as long as when a jackpot is triggered the jackpot amount is shown immediately.

(c) At least one (1) progressive display to which a group of progressive electronic gaming devices is linked must continuously display the amount of the progressive jackpot that a patron may win.
3. On March 2, 2011, Indiana Grand was granted a waiver allowing the delay of dedicated camera coverage for any progressive slot machines with an immediate jackpot of less than \$50,000, until the progressive display reads a minimum of \$40,000. The waiver was granted on the condition that the accounting/income audit department would be responsible for verifying daily that the incrementation was correct on all progressive machines.

4. On March 12, 2015, a Gaming Agent was notified by Security Dispatch that there was a jackpot win over \$50,000 which required IGC verification. The Agent viewed the dedicated progressive coverage and noted that the progressive display was stuck on \$49,918.10 which was below the jackpot amount of \$52,000. The Agent reviewed camera coverage and found that the display had been stuck on \$49,918.10 for at least seven days. The Agent spoke to the Revenue Audit Manager, who provided the Agent with revenue audit's daily progressive meter reading. The daily meter reading showed the progressive display had not incremented since February 22, 2015.

COUNT II

5. 68 IAC 15-7-3(a) states the casino licensee shall require, on a daily basis, the revenue auditor or its equivalent to perform certain procedures on the calculation of the electronic gaming device win. These procedures shall include, at a minimum, the following:
 1. Tracing the total of the "bills-in" meter readings as recorded by the bill acceptor flash report or equivalent to the actual count performed by the soft count team to verify agreement.
6. 68 IAC 15-7-3(b) states the casino licensee shall require that all variances or discrepancies from subsection (a) shall be investigated, recorded, and reported to the head of the accounting department or its equivalent and the commission staff.
7. On February 25, 2015, a Gaming Agent was notified by an Electronic Games Supervisor that an error was discovered during a call to an electronic poker machine individual station P102-03. A patron had complained that he had not received any credits, but had inserted several hundred dollars. The Supervisor found that P102-03 was reporting as P102-07 and vice versa. The Agent investigated and found that the USB communication boards for positions 1-4 and 5-8 had been switched on February 20, 2015 when an Electronic Games Technician had been working on the machine. The boards were switched, the machine coin tested and the machine was reporting correctly. The Agent spoke to the Lead Revenue Auditor to find out why this switch had not been caught during the audit process. The Auditor explained to the Agent when the daily drop audit is finished the IGT program gives a list of problem machines (machines with variances, orphan boxes, switch-a-roos, etc.). With switch-a-roos they see that one machine/individual station is reporting for the other and vice versa and they will manually adjust the two machines/individual stations so they are correct. She stated that this occurs every day. The Agent asked how these machines/individual stations are tracked and found once the machines/individual stations are switched in the computer system by Revenue Audit nothing else is done.

COUNT III

8. Pursuant to IC 4-35-7-2 and 68 IAC 1-11-1(c), a person who is less than twenty-one (21) years of age may not be present in the area of a riverboat where gambling is being conducted.
9. 68 IAC 15-6-4(a) states the casino licensee's security department shall maintain a vendor and visitor log on forms prescribed or approved by the commission.

(b) Vendors and visitors must report to security to complete the vendor and visitor log and to obtain a badge. When the vendor or visitor leaves the casino, the vendor or visitor must complete the appropriate portion of the log.

(c) Vendors and visitors in the casino may not participate in a gambling game.

(d) Vendors and visitors in the casino must wear, in a conspicuous location, a badge issued by the security department.

10. On February 26, 2015, a Gaming Agent was notified by the Health and Safety Manager that two underage persons had entered the casino. The two underage persons were allowed on the casino floor in a pick-up truck delivered for display for a promotion being held by the casino. The Health and Safety Manager said that he overheard the Promotions Manager ask one of the underage persons if he was 21 years old. Once it was discovered that two were underage, they were escorted off of the casino floor. The Agent reviewed video coverage and found that Casino employees opened the Bus Entry doors to allow the pick-up to enter the building. The Agent could not see any communication between the casino employees and those in the truck. The truck pulled inside and the driver and two rear passengers exited and wiped the tires on the truck. All three reentered the truck and it was driven through the casino to the High Limits area. The two rear passengers exited the truck and stood near the display until the truck was in place on the turn table. The two underage persons began to wipe the exterior of the truck. Approximately 23 minutes later the Promotions Manager spoke to one of the underage persons and immediately started to walk off the floor with the two underage persons. It should be noted that none of the occupants in the truck were wearing vendor badges.

COUNT IV

11. 68 IAC 4-35-8.5-1(a) states before the fifteenth day of each month, a licensee that offers slot machine wagering under this article shall pay to the commission a county slot machine wagering fee equal to three percent (3%) of adjusted gross receipts received from slot machine wagering during the previous month at the licensee's racetrack. However, a licensee is not required to pay more than eight million dollars (\$8,000,000) of county slot machine wagering fees under this section in any state fiscal year.
12. On February 16, 2015, the Centaur VP of Internal Audit/Compliance called the Commission Controller to inform her that the Indiana Grand wire transfer for the County Slot Wagering fee would be late because the casino had not taken the holiday (President's Day) into account. It should be noted that Hoosier Park, a sister property of Indiana Grand, had made their payment on Friday, February 13th. The payment for Indiana Grand was made by the close of business on February 17, 2015.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Indiana Grand by and through its agents as described herein constitute a breach of IC 4-35, 68 IAC or Indiana Grand's approved internal control procedures. The Commission and Indiana Grand hereby agree to a monetary

settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Indiana Grand. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Indiana Grand shall pay to the Commission a total of \$22,500 (\$5,000 for Count I; \$3,000 for Count II; \$4,500 for Count III and \$10,000 for Count IV) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. Neither this agreement nor any action performed pursuant to it will constitute an admission of any violation by Indiana Grand. This agreement extends only to known incidents specifically alleged in this agreement and wholly based on the facts described herein. If the Commission subsequently discovers additional facts, which are not described in this agreement, that may support an independent determination that a violation has occurred, the Commission may pursue disciplinary action for such violations even if the facts are related to an incident described herein.

Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Indiana Grand agrees to promptly remit payment in the amount of \$22,500 and shall waive all rights to further administrative or judicial review.

This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Settlement Agreement shall be binding upon the Commission and Indiana Grand.

IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission



Jim Brown, COO and General Manager
Indiana Grand

6/9/15

Date

6/11/15

Date